

Message Text

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61

ORIGIN EB-07

INFO OCT-01 ARA-10 EUR-12 EA-09 NEA-10 IO-13 AF-06 ISO-00

SSO-00 NSCE-00 USIE-00 INRE-00 SP-02 AID-05 NSC-05

CIEP-02 TRSE-00 SS-15 OMB-01 CEA-01 AGR-10 CIAE-00

COME-00 INR-07 LAB-04 NSAE-00 FRB-01 L-03 H-02 XMB-04

OPIC-06 SIL-01 DODE-00 PA-02 PRS-01 /140 R

DRAFTED BY EB/OT/STA:MCJONES:MH
APPROVED BY EB/OT/STA:WCLARK, JR.
COMM:BASCHER (INFO)
STR:SCOFFIELD
TREAS:WBARREDA

----- 114910

O 162055Z APR 76

FM SECSTATE WASHDC

TO AMEMBASSY ATHENS IMMEDIATE
AMEMBASSY BELGRADE IMMEDIATE
AMEMBASSY BERN IMMEDIATE
AMEMBASSY BOGOTA IMMEDIATE
AMEMBASSY BRASILIA IMMEDIATE
AMEMBASSY BUCHAREST IMMEDIATE
AMEMBASSY BUDAPEST IMMEDIATE
AMEMBASSY BUENOS AIRES IMMEDIATE
AMEMBASSY DUBLIN IMMEDIATE
AMCONSUL HONG KONG IMMEDIATE
AMEMBASSY LONDON IMMEDIATE
AMEMBASSY MADRID IMMEDIATE
AMEMBASSY MEXICO IMMEDIATE
AMEMBASSY MONTEVIDEO IMMEDIATE
AMEMBASSY NEW DELHI IMMEDIATE
AMEMBASSY OTTAWA IMMEDIATE
AMEMBASSY PARIS IMMEDIATE
AMEMBASSY ROME IMMEDIATE
AMEMBASSY SEOUL IMMEDIATE
AMEMBASSY TAIPEI IMMEDIATE

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AMEMBASSY TOKYO IMMEDIATE

AMEMBASSY VIENNA IMMEDIATE
AMEMBASSY WARSAW IMMEDIATE
USMISSION EC BRUSSELS IMMEDIATE
USMISSION GENEVA IMMEDIATE
USDEL MTN GENEVA IMMEDIATE
USMISSION OECD PARIS IMMEDIATE

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E.O. 11652: N/A

TAGS: ETRD

SUBJECT: ESCAPE CLAUSE PROCEEDING ON NON-RUBBER FOOTWEAR -ARUBBER
FOOTWEAR -

FACT SHEET RELATING TO PRESIDENTIAL DECISION TO PROVIDE
TRADE ADJUSTMENT ASSISTANCE

FOLLOWING IS TEXT OF FACT SHEET ON TRADE ADJUSTMENT ASSIS-
TANCE ISSUED IN CONJUNCTION WITH THE OFFICE OF THE SPECIAL
REPRESENTATIVE FOR TRADE NEGOTIATIONS PRESS RELEASE DATED
APRIL 16 ANNOUNCING THAT THE PRESIDENT HAD DECIDED ON THE
PROVISION OF TRADE ADJUSTMENT ASSISTANCE FOR FIRMS, WORKERS
AND COMMUNITIES PRODUCING NON-RUBBER FOOTWEAR: BEGIN TEXT:
THE PRESIDENT HAS ORDERED EXPEDITED TRADE ADJUSTMENT ASSIS-
TANCE FOR U.S. FIRMS, WORKERS AND COMMUNITIES PRODUCING
NON-RUBBER FOOTWEAR.

TRADE ADJUSTMENT ASSISTANCE FOR WORKERS, ADMINISTERED BY
THE SECRETARY OF LABOR, INCLUDES BENEFITS OF WEEKLY ALLOW-
ANCES OF UP TO 70 PERCENT OF A WORKER'S AVERAGE WEEKLY
WAGE FOR 12 MONTHS, EMPLOYMENT COUNSELING, JOB RETRAINING,
JOB SEARCH ALLOWANCES, AND ADVANCES TO ASSIST IN RELOCAT-
ING IF NECESSARY FOR REEMPLOYMENT.

ADJUSTMENT FOR FIRMS, ADMINISTERED BY THE SECRETARY OF
COMMERCE, INCLUDES TECHNICAL ASSISTANCE, DIRECT LOANS, OR
LOAN GUARANTEES, TO AID SUCH FIRMS IN MODERNIZING OR IN
SWITCHING TO OTHER PRODUCT LINES.

COMMUNITY TRADE ADJUSTMENT ASSISTANCE, WHICH IS ALSO
ADMINISTERED BY THE SECRETARY OF COMMERCE, INCLUDES
TECHNICAL ASSISTANCE IN DEVELOPING RECOVERY PLANS TO
ATTRACT NEW INDUSTRY OR TO SWITCH EXISTING PLANTS TO
MORE COMPETITIVE FIELDS, AND LOANS AND LOAN GUARANTEES TO
CARRY OUT THESE PLANS.

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THE PRESIDENT CHOSE THIS FORM OF ASSISTANCE TO THE DOMES-
TIC INDUSTRY IN MEETING INCREASED FOREIGN COMPETITION FOR
THE FOLLOWING REASONS:

1. QUOTE IMPORT RELIEF END QUOTE MEASURES (INCREASED
TARIFFS OR TARIFF QUOTAS) RECOMMENDED BY FIVE MEMBERS OF
THE U.S. INTERNATIONAL TRADE COMMISSION WOULD NOT BE IN
THE NATIONAL ECONOMIC INTEREST.
2. ADJUSTMENT ASSISTANCE WILL PROVIDE AN EFFECTIVE REMEDY

FOR THE INJURY FROM WHICH THE INDUSTRY HAS BEEN FOUND TO BE SUFFERING.

3. ADJUSTMENT ASSISTANCE WILL BENEFIT THE MANY SMALLER ENTERPRISES WHICH HAVE BEEN SERIOUSLY INJURED, WHEREAS THE USITC REPORT CASTS GRAVE DOUBT ON IMPORT RELIEF AS AN EFFECTIVE REMEDY FOR THESE FIRMS; IMPORT RELIEF WOULD DISPROPORTIONATELY BENEFIT THE 21 LARGER FIRMS WHICH PRODUCE 50 PERCENT OF DOMESTIC OUTPUT, BUT WHICH HAVE BEEN FOUND TO BE COMPETITIVE WITH IMPORTS.

4. THE DOMESTIC INDUSTRY IS RECOVERING FROM THE RECESSION. EMPLOYMENT AND PRODUCTION ARE INCREASING.

5. ADJUSTMENT ASSISTANCE IS CONSISTENT WITH THE PRESIDENT'S EFFORTS TO CONTROL INFLATION, INCLUDING COSTS TO ALL CONSUMERS, WHICH IMPORT RESTRICTIONS WOULD RAISE.

6. ADJUSTMENT ASSISTANCE WILL NOT EXPOSE OTHER INDUSTRIES TO A COMPENSATORY REDUCTION IN THEIR TARIFF AND IMPORT QUOTA RATES, OR RETALIATION BY OTHER NATIONS AGAINST THEIR EXPORTS, WHEREAS IMPORT RELIEF WOULD.

7. THE UNITED STATES IS PLEDGED ALONG WITH OTHER COUNTRIES TO AVOID TRADE RESTRICTIONS WHEREVER POSSIBLE AS THEY WORK TOWARD THE NEGOTIATION OF AN IMPROVED WORLD TRADING SYSTEM.

8. ADJUSTMENT ASSISTANCE WILL NOT DISTORT EXISTING TRADE RELATIONSHIPS AND PATTERNS, WHEREAS IMPORT RELIEF WOULD. AS THE U.S. ECONOMY RECOVERS FROM THE RECESSION, DOMESTIC PRODUCTION OF NON-RUBBER FOOTWEAR IS RISING SIGNIFICANTLY:

	1975	1976
JAN.	33,932,000 MILLION PAIRS	40,985,000
FEB.	32,274,000	41,137,000
....	66,206,000	82,122,000
MONTHLY AVERAGE FOR 12 MONTHS:		
....	36,143,000	41,106,100 (2 MONTHS)

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.... (SECOND HIGHEST
.... SINCE MAY, 1974)
U.S. EMPLOYMENT IN THE INDUSTRY ALSO SHOWS SIGNS OF PICKING UP:

	1975	1976
JAN.	166,000 WORKERS	171,000
FEB.	161,000	172,000
....	327,000	343,000
MONTHLY AVERAGE FOR 12 MONTHS:		
	163,000	171,500 (2 MONTHS)
....	(HIGHEST SINCE	
....	JULY, 1974)	

THE IMPORT MONITORING SYSTEM DIRECTED TO BE SET UP BY STR WILL BE BASED ON BUREAU OF THE CENSUS MONTHLY STATISTICS. COMMODITY SPECIALISTS OF THE USITC ALSO WILL BE

AVAILABLE FOR CONSULTATION. ROBINSON

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
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Concepts: FOOTWEAR, RUBBER, IMPORTS, POLICIES
Control Number: n/a
Copy: SINGLE
Draft Date: 16 APR 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: MCJONES:MH
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Executive Order: N/A
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Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1976/newtext/t19760452/aaaabruf.tel
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Review Markings:

Margaret P. Grafeld
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US Department of State
EO Systematic Review
04 MAY 2006

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Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
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Status: NATIVE
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TAGS: ETRD, US, GR
To: ATHENS MULTIPLE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006